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Alexander W. Sierck

9 November 2001
By e-mail FR0001@USTR.gov

Ms. Carmen Suro-Bredie
Chair, Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

PUBLIC DOCUMENT

Re: Exclusion Request for Certain High Carbon and Alloy Band Saw Steel
Not Already Excluded

Dear Ms. Suro-Bredie:

I am writing on behalf of JB & S Lees of West Bromwich, West Midlands, England to file an exclusion request for certain high carbon and alloy band steel strip not already excluded. The company has filed a similar request with the US International Trade Commission.

JB & S Lees is a leading supplier of high carbon band saw steel strip to US producers of band saws for use in metal, meat and specialized wood cutting. US high carbon band saw producers face especially intense import competition from European producers, in large measure because of the high value of the dollar against the Euro. For several years many have been unable to raise their prices in spite of increased production costs.

High carbon and alloy band saw steel represents only a small portion of overall band saw steel strip imports. For example, imports of high carbon and alloy product from JB & S Lees have averaged about 3000 tons per year and are projected to be less than that in the near future. JB & S Lees ships to meet US customers' monthly schedules. The company does not ship in bulk (ie, by the boat load) to US service centers or master distributors.

Most of the band saw steel strip imported into the US is low carbon. JB & S Lees believes that it was concern over imports of the high-volume low carbon product that resulted in band saw steel being covered by the pending Section 201 investigation. The exclusion request of JB & S Lees and its customers for small volume high carbon and alloy product would not, however, undercut remedy options in the low carbon area. There is virtually no demand cross-over between the two areas.

On October 18, 2001 JB & S Lees and several of its US band saw producer customers submitted exclusion request data sheets with the ITC. These customers include L.S. Starrett Company of Mount Airy, NC, Contour Saws, Inc., American Saw and Manufacturing Company of Longmeadow, MA, and Atlanta SharpTech. Another band saw producer, located in the Midwest, also supports the exclusion request but, for the time being, wishes to keep its identity totally confidential; we have a letter from this company in our files and hope to be able to make it publicly available in due course.

These US band saw manufacturers purchase high carbon band saw steel from JB & S Lees for two reasons:

- ☐ There is no US production of 1.25 percent carbon band saw steel strip.

- For similar carbon steel band saw strip, US band saw manufacturers need a product with a much more consistent quality level than US firms can meet, as well as the overall security of a second source of supply.

This latter factor is documented by the attached copies of an October 25, 2001 letter from Leah Carneiro, Director, Strategic Sourcing, American Saw & Mfg. Company and an October 26, 2001 letter from Peter Boyle, president of Atlanta SharpTech. To facilitate their transmission by e-mail, we have retyped these letters; original copies are on file at the ITC.

In Appendix II of USTR's June 22, 2001 letter requesting the initiation of this investigation, USTR excluded many niche products from the scope. Among those excluded were certain high carbon band saw steels with a carbon content of 1.2 to 1.3 percent by weight and with other detailed technical or chemical characteristics. But that already narrow exclusion was limited to product with a bright finish. See attached copy of exclusion notice.

Some high carbon band saw steel required by US customers and supplied by JB & S Lees is blue finish but is otherwise similar to, if not identical to, the excluded bright finish product. JB & S Lees understands that the already excluded bright finish product is in fact produced only in Brazil and imported and distributed by a small-volume US producer of high carbon band saw steel, Theis Precision Steels of Bristol, Connecticut. JB & S Lees respectfully requests that this apparent anomaly be corrected by excluding blue finish product when it has the same physical characteristics as those set forth in the attached USTR exclusion notice.

In addition, JB & S Lees and its US customers request the exclusion of the following two products, which are very similar to that which is already excluded. The

first is high carbon band saw steel with a carbon content (by weight) of .65 percent or more. The second is alloy band saw steel with the following analysis:

Carbon	0.33% minimum by weight
Manganese	0.60% minimum by weight
Chromium	0.80% minimum by weight
Molybdenum	0.40% minimum by weight

Both requests cover both bright finish and blue finish.

Conclusion: Bright finish high carbon band saw steel has already been excluded. Blue finish product with the same physical characteristics should be excluded as well because there is no US source. Closely similar high carbon and alloy band saw steel ought to be excluded also, because for some needs there is no US source and for other needs the US source is of substandard quality. These types of high carbon and alloy band saw steel represent only tiny fraction of total US band saw steel demand, which is mostly for low carbon product.

If you or your colleagues have any questions or would like more information about this exclusion request, please call me. Thank you.

Respectfully submitted,

Alexander W. Sierck
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9 November 2001

Counsel for JB & S Lees

APPENDIX II EXTRACT OF PRODUCTS INITIALLY EXCLUDED FROM SCOPE
OF SECTION 201 INVESTIGATION

Certain band saw steel, which meets the following characteristics: thickness less than or equal to 1.31 mm; width less than or equal to 80 mm; chemical composition: carbon content of 1.2 to 1.3 percent by weight; silicon content of 0.15 to 0.35 percent by weight; manganese content of 0.20 to 0.35 percent by weight; phosphorus content less than or equal to 0.03 percent by weight; sulphur content less than or equal to 0.007 percent by weight; chromium content of 0.30 to 0.5 percent by weight; and nickel content less than or equal to 0.25 percent by weight. Other properties: carbide: fully spheroidized having greater than 80 percent of carbides, which are less than or equal to 0.003 mm and uniformly dispersed; surface finish: bright finish free from pits, scratches, rust, cracks, or seams; smooth edges; edge camber (in each 300 mm of length) of less than or equal to 7 mm arc height; and cross bow (per inch of width) of 0.015 mm max.

Atlanta SharpTech
1594 Evans Drive, S.W., P.O. Box 11000
Atlanta, Georgia, USA 30310-0010
Telephone: (404) 752-7000
October 26, 2001

Sandy Sierck, Esq.
Cameron and Hornbostel
818 Connecticut Avenue, N.W.
Washington, DC 20006
Fax: (202) 293-1877

RE: 201 Hearings

Understanding that the U.S.I.T.C. is getting ready to submit recommendations to counter the injury suffered by the U.S. steel producers from imported product, I am writing in support of JB & S Lees petition to have cold rolled, butcher meat cutting bandsaw blade steel strip excluded from the potential resolution of this issue.

Atlanta SharpTech is and ISO 9001 Certified manufacturer of the highest quality meat cutting butcher bandsaw blades which we produce from the highest quality steel strip. This highest quality, steel strip with tightly defined, consistent specifications including dimension, flatness, edge configuration, surface finish and metallurgical structure is integral to the successful production of our products and corresponding satisfaction of our customer base.

This material presently provided to Atlanta SharpTech by JB & S Lees has consistently exceeded the demonstrated capabilities of any domestic manufacturer in meeting the tightness of our material specification. Any potential increased tariffs and corresponding price increases to us would defeat the successful partnership with JB & S Lees that has been developed enabling Atlanta SharpTech to maintain its quality edge and competitiveness in the marketplace. This is a capability that Atlanta SharpTech can not afford to lose in these troubling economic times!

In closing, I reconfirm our support the request of JB & S Lees to have their cold rolled, butcher meat cutting bandsaw blade steel strip excluded from the current round of 201 Hearings.

Sincerely,

Peter J. Boyle
President
Atlanta SharpTech

American Saw and Mfg. Company
301 Chestnut Street, P.O. Box 504
East Longmeadow, Massachusetts 01028-0504
Telephone: (800) 628-3030
October 25, 2001

Mr. Sandy Sierck, Esq.
Cameron and Hornbostel
818 Connecticut Avenue, N.W.
Washington, D.C. 20006

Dear Mr. Sierck,

We manufacture the Lenox brand of products, and would like to express our support for the exclusion of specialty alloy steels from the current U.S. I.T.C. 201 hearings.

We travel the world to source the very best cold rolled, specialty alloy steel processors for our high end products. Though we don't buy directly from the steel mills, we have an interest in the quality of the material that they send to the intermediary steel processors such as J.B. & S. Lees. Our specifications for metallurgical chemistries, edge preparation and finishing, surface finish and exact coil lengths can be met by only a small number of companies around the world.

Lees is able to perform impeccably in providing us product because of their relationship with foreign melt sources such as Corus (formerly British Steel). This enables us to ask for modified chemistries. This also gives us an additional melt source to mitigate our risk of having very few sources capable of melting our alloys. To impose tariffs on this type of steel would add to our raw material costs without any concomitant benefit, as we do not typically buy commodity steel products.

American Saw and Mfg. Co. is keenly aware of foreign competition in the tool business. We fight imported, finished bandsaw and tool products from overseas competitors every day. We do not consider what Lees provides us to be a foreign source; *it is a source capable of meeting our strict specifications, who happen to be located in a foreign country.*

We support the request by J.B. & S. Lees to have certain cold rolled strip products excluded from the current 201 hearings. We found in filling out the survey earlier this summer that our global demand has remained steady as to place and quantity, and we do not believe this is the type of product from which US steel producers have been affected.

If we can be of further help, please contact me at (413) 525-3961, ext. 433.

Sincerely,
Leah R. Carneiro
Director, Strategic Sourcing

